

# CARES ACT

- What Cities/Counties are Doing
- What Else Can Be Done?
- Regional CARES Act Resources

# CARES ACT

What we are hearing from you:

- Stretching to spend CARES money
- Struggling to understand impacts of COVID on revenues and real estate
- Unsure of approved CARES options
- Need ideas for addressing long-term impacts that fit requirements

# CARES ACT

## Key Observations



- Cities benefit from having a CARES funding advisory committee
- Consideration needs to be given for more than the short-term fixes
  - Cleaning city hall has merit - don't forget actions which benefit short-term *and* long-term



# What Cities/Counties are Doing

- Hazard pay for public safety
- Business assistance programs
- Technology improvements for teleworking
- Improvements to city hall to provide functional virtual meetings
- Full disinfectant of city buildings
- Firefighter COVID prevention equipment
- CPR Devices
- Public outreach equipment
- Day care expansion
- New police personnel
- Cleaning and remodeling of senior centers
- Food bank improvements

# What Cities/Counties are Doing

- Outreach vans (\$40,000-\$60,000)
- Laptops for remote work (\$10,000-\$50,000)
- Disinfectant fogger systems (\$10,000-\$25,000)
- Portable air cleaners (\$35,000-\$650,000)
- Face coverings (\$2,500-\$15,000)
- Downtown outdoor seating (\$75,000)
- Food care coalition facility (\$200,000)
- Ballpark upgrades (\$25,000-\$125,000)
- Protective clothing (\$10,000-\$60,000)
- Virtual fitness systems for recreation center (\$10,000)
- Redesign of community rooms (\$50,000-\$75,000)
- Software to permit sales to move online (\$5,000-\$19,000)
- Transition housing facility – financial assistance (\$250,000)
- Portable library vans (\$40,000-\$55,000)
- Wireless microphone systems (\$2,000-\$18,500)

# What Cities/Counties are Doing

- Contingency for Zoom fees and supplies
- Touchless entry access (\$25,000-\$225,000)
- Addition of ultraviolet light on air handlers (\$130,000)
- Cleaning of fire and police stations (\$10,000-\$18,000)
- First responders

## Other States (in addition to the previous):

- Main Street/downtown study programs
- Tourism impact study/survey
- Retail impact studies
- Hospitality impact studies
- Medical office/facilities impact analysis



# What Else Can Be Done?

What do we know about impacts of COVID-19?

- It has/will have short-term and long-term impacts on revenues
- It is changing commercial real estate
- It is influencing housing

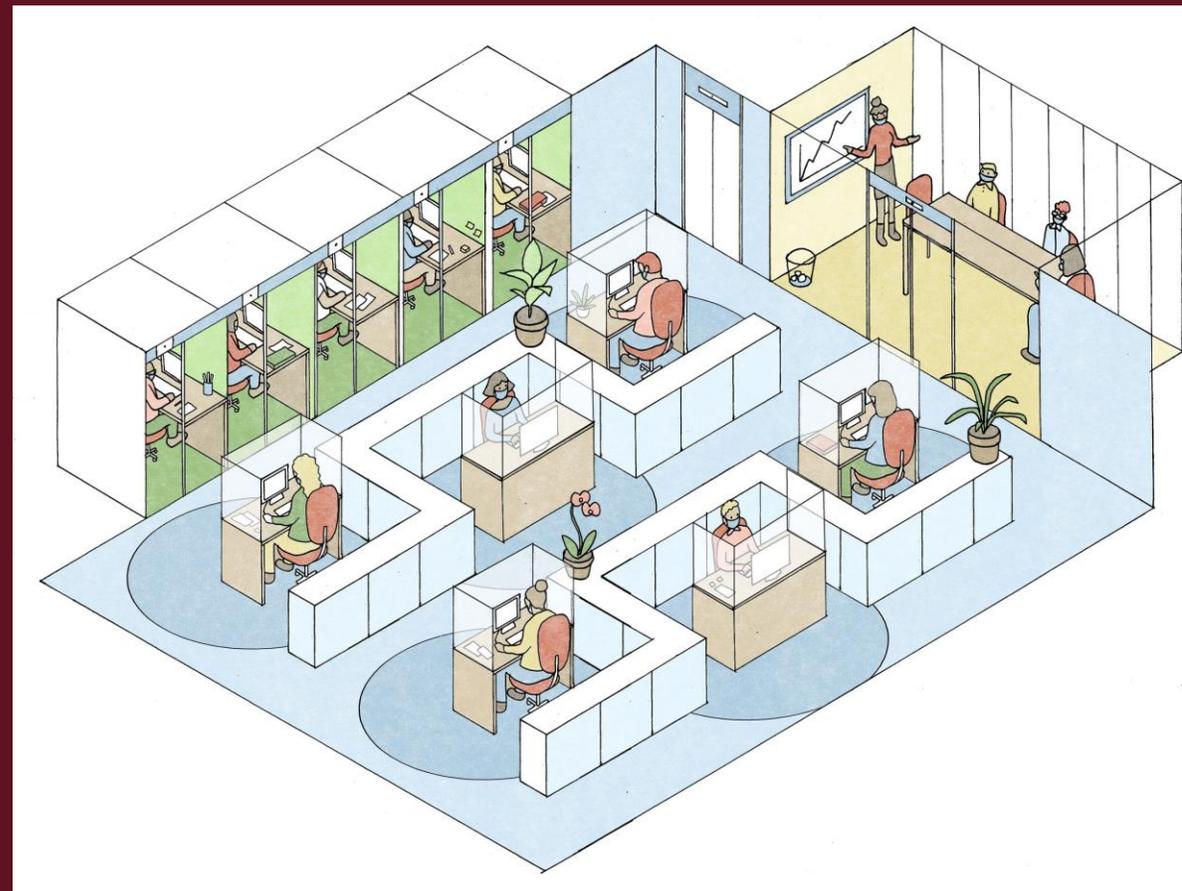
- Online sales have shifted from 12% of total retail spending to more than 22% during COVID – how will this influence revenues – direct to residences and away from brick and mortar?
- COVID has accelerated online shopping and resulted in less need for retail square feet per capita

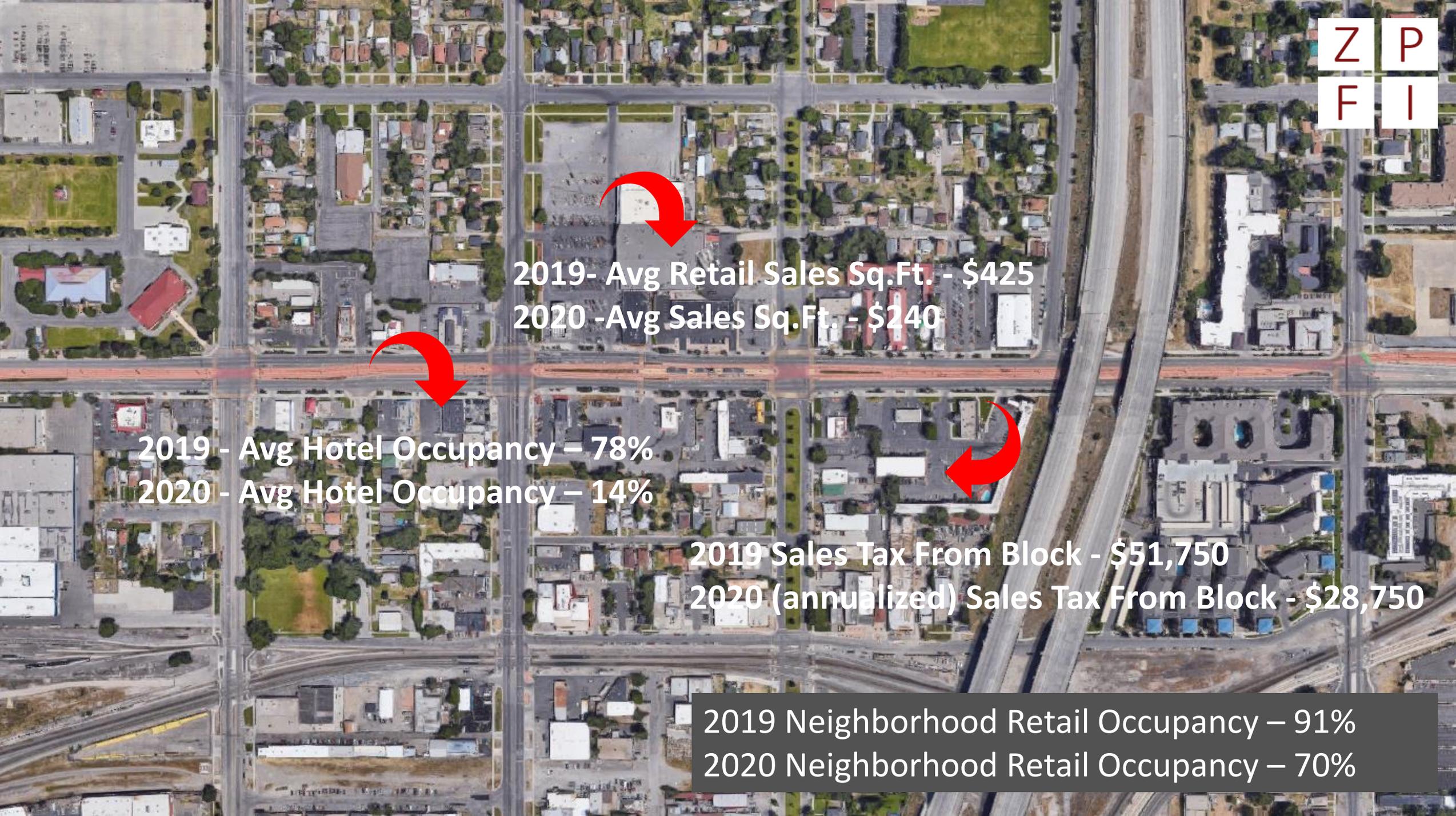


- Housing – blue collar and minorities have been hit harder both with health and economics
- Suburbs and rural areas are seeing heightened demand for flex office uses and housing
- Coastal communities are experiencing notable rental and value declines – exodus to states deemed “stable”



- Office space is being reimagined – reversing trend of reducing square feet per employee
- Long term impact on transportation
- Long term impact on parking
- Changing trend of office impact on retail





2019- Avg Retail Sales Sq.Ft. - \$425  
2020 -Avg Sales Sq.Ft. - \$240

2019 - Avg Hotel Occupancy – 78%  
2020 - Avg Hotel Occupancy – 14%

2019 Sales Tax From Block - \$51,750  
2020 (annualized) Sales Tax From Block - \$28,750

2019 Neighborhood Retail Occupancy – 91%  
2020 Neighborhood Retail Occupancy – 70%

2019

Total Occupied Commercial Space = 2.6 million square feet

Average Commercial Sales Per Square Foot = \$325

Total Point of Sale Direct to City = **\$4,225,000**

2020 (annualized)

Total Occupied Commercial Space = 2.2 million square feet

Average Commercial Sales Per Square Foot = \$285

Total Point of Sale Direct to City = **\$3,135,000**

## Retail Sales Capture Rates -2018

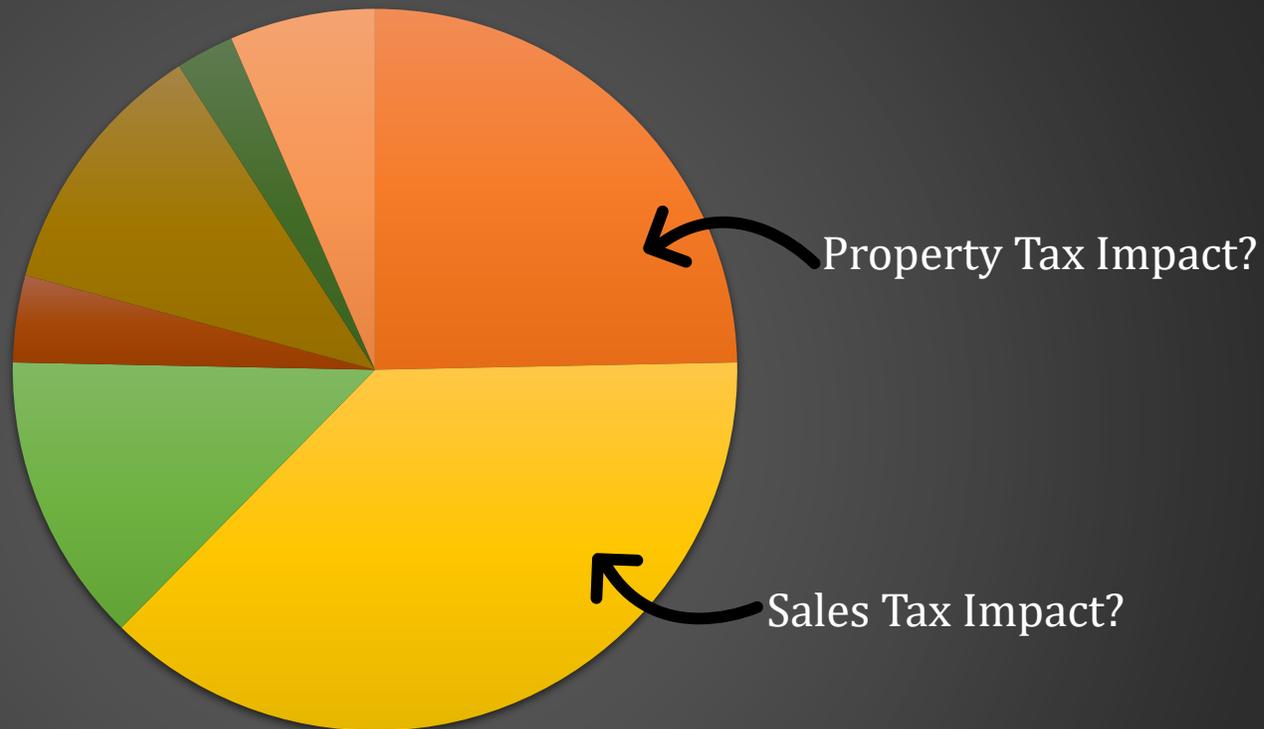
|                |      |
|----------------|------|
| American Fork  | 197% |
| Lehi           | 97%  |
| Lindon         | 316% |
| Pleasant Grove | 45%  |
| Provo          | 60%  |
| Spanish Fork   | 109% |
| Orem           | 142% |

If online sales have nearly doubled as a percentage of total retail spending, what happens to these capture/leakage rates?

More balance as purchases are made at home

# Financial Sustainability

## City Revenues



- Property Tax
  Sales Taxes
  Energy Use Tax
- Licenses and Permits
  Intergovernmental
  Fines & Forfeitures
- Miscellaneous

# Financial Sustainability

## Sales and Use Tax as Percent of Revenue

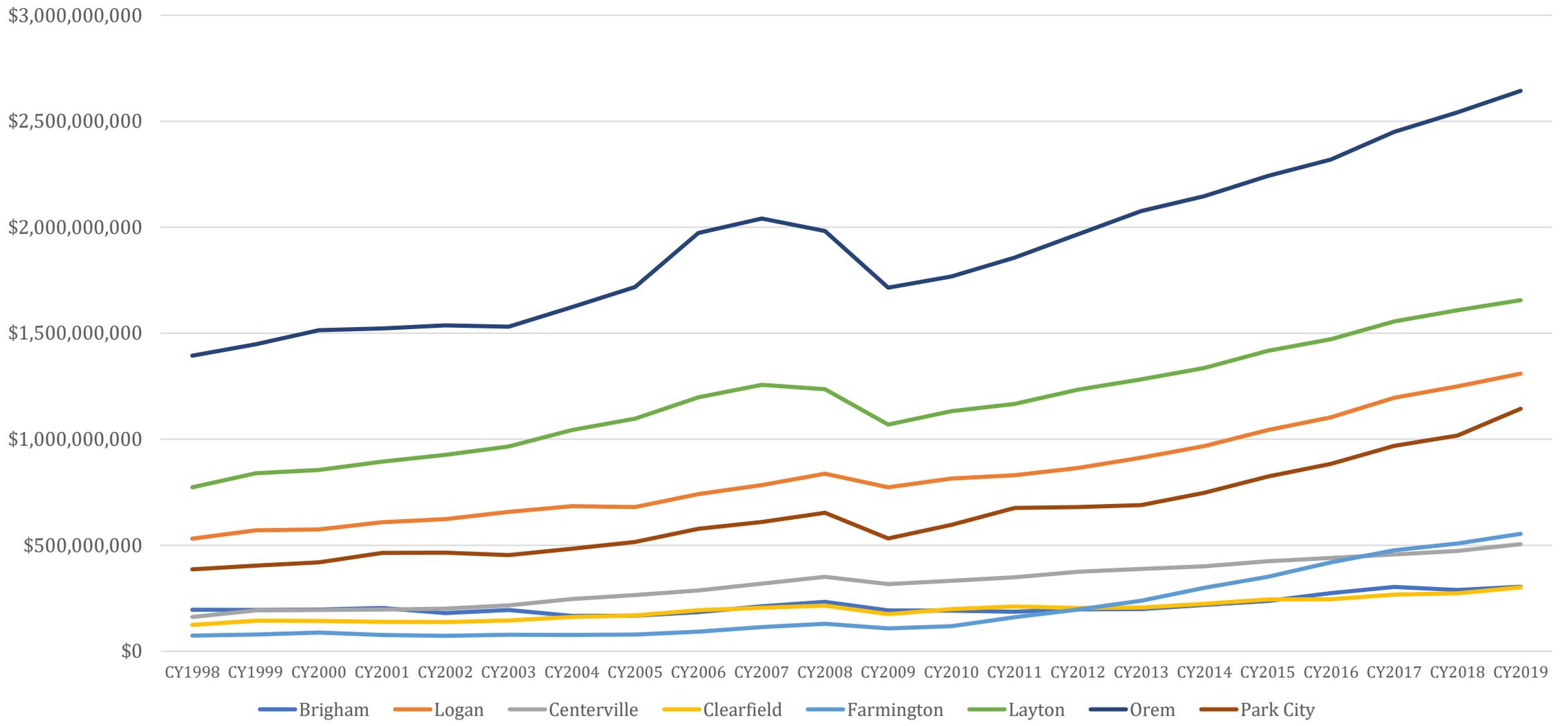
- Brigham City – 29.8%
- Clearfield – 26.2%
- Herriman – 19.6%
- Saratoga Springs – 21.9%
- Layton – 31.9%
- Logan – 10.3%
- Tremonton – 26.7%

How does a 10% change in sales taxes impact city budgets?

What is done to account and adjust for lost revenues?

Focus on key nodes that will continue to generate income

# Gross Sales



What efforts can you take for these COVID related losses and to make short-term *and* long-term adjustments?

- Small Area Plans
  - Which key areas need to be repurposed due to COVID changes?
  - Are you now overparked? Overbuilt with retail? Heavy in employment sectors that are changing space needs?



- Financial Sustainability Models
  - How balanced are your revenues?
  - How much will revenues change due to long-term trend alterations from COVID?
  - Best practices of other cities
- Retail Sales Analysis
  - Key Intersections/Nodes
  - Centers Study
  - Leakage/Capture Analysis

- Downtown Studies
  - Which shops fit changing trends?
- Highest and Best Use Studies
  - What was feasible before may not be feasible now
  - What are financial impacts from altered uses?



- Fiscal Impacts Analysis
  - Residential is now “generating” retail sales revenues at much higher levels than pre-COVID
  - Office dynamics will change if less space is needed for parking

| Use Type     | Building Size | Land Size | City Property Taxes | City Property Taxes/Per Acre | Sales Taxes | Population Distribution | Municipal Energy Fees | Total Taxes and Fees | Total Per Acre | Total Per Bldg Sq.Ft. |
|--------------|---------------|-----------|---------------------|------------------------------|-------------|-------------------------|-----------------------|----------------------|----------------|-----------------------|
| Office       | 250,000       | 16.40     | \$79,332            | \$4,838                      | \$0         | \$0                     | \$60,000              | \$139,332            | \$8,497        | \$0.56                |
| Retail       | 25,000        | 2.30      | \$6,114             | \$2,663                      | \$43,750    | \$0                     | \$6,000               | \$55,864             | \$24,334       | \$2.23                |
| Multi-Family | 300,000       | 4.91      | \$37,540            | \$7,651                      | \$21,600    | \$88,650                | \$36,000              | \$183,790            | \$37,458       | \$0.61                |

- Tourism Impact Studies
  - Hotel chains closing – what impact on TRT is this for you? What impact on employment?
  - How will tourism look in future years
  - Are you overbuilt for hotels?



- RDA/CRA Revenue Impact Analysis
  - Reduced property values?
  - Reduced sales tax increment?
- Office Space Need Study
  - Will reduced employee counts impact retailers, parking needs?
  - Sublease space





# REGIONAL CARES ACT RESOURCES



# EDA CARES Act Funding – WFEDD/WFRC

September 17, 2020

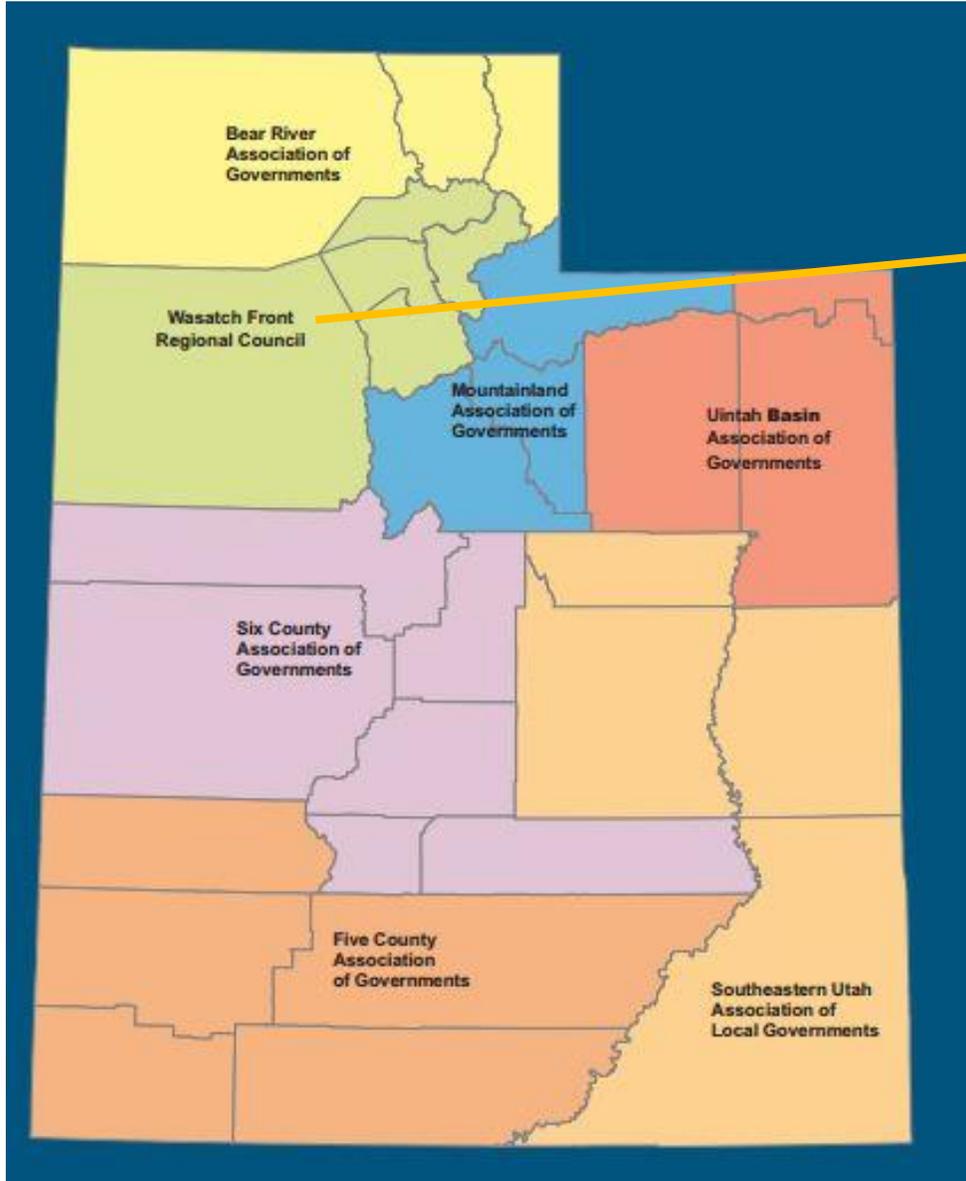


# Topics Covered

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- Wasatch Front Economic Development District Overview
- CARES Act Overview
- How to Apply for the Funding
  - *\*TLC Program Coordination*
- Questions and Answers

# WFEDD Boundaries – \*Utah's Association of Governments



Davis County  
Morgan County  
Salt Lake County  
Tooele County  
Weber County



## WASATCH FRONT ECONOMIC DEVELOPMENT DISTRICT

*Mission: Support economic development plans, promote long-term economic competitiveness, and attract federal monies in order to implement local plans.*

### Expand Employment



### Encourage Entrepreneurship



### Workforce Training



# CARES Act overview

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“The Coronavirus Aid, Relief, and Economic Security (CARES) Act, [signed into law](#) by President Donald J. Trump, provides the Economic Development Administration (EDA) with **\$1.5 billion** for economic development assistance programs to help communities **prevent, prepare for, and respond to coronavirus.**”

- **\$400,000 to WFEDD**
- Provide Technical Assistance to Local Governments to respond and recover from COVID-19 impacts
- Update Comprehensive Economic Development Strategy

# Example Project Types: *COVID-19 Response and Recovery*

- Assessing regulatory barriers to economic shifts that are resulting from COVID-19
- Adjusting land use and parking to meet post-COVID-19 community needs
- Planning for temporary infrastructure operations responding to COVID-19 impacts such as:
  - Telecommuting centers
  - Temporary bicycle and pedestrian facilities
  - Fast track of immediate broadband needs
- Providing local tax breakdowns per community consider how to bolster local tax sources.

# Application Requirements

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- ***\$50,000 maximum grant – \*No match requirement***
- Direct connection to recovery and resiliency efforts in response to COVID impacts
- Consider benefits to under-represented communities
- Have access to WFRC's Pool of Consultants
- Funds must be expended before June 30, 2022

# How to Apply for the Funding

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- Transportation and Land Use Connection Program Coordination
- Letter of Intent Form - \*one-page simple form
  - ***Initial Deadline – September 30, 2020***
- We will work with you on Letter of Intent Requirements



# TRANSPORTATION AND LAND USE CONNECTION



# Letter of Intent Form



Submit a Letter of Intent



[Letter of Intent Form](#)

Letters of Intent are due in  
September.

# Letter of Intent Form Requirements

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- Select “TLC Program”
- Brief Description of Project - \*Indicate Applying for EDA Funds
- Elected Official’s Signature
- ***Initial Application Deadline – September 30, 2020***



**Thank you!**

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